

EnerSpar Corp.
(Formerly Walmer Capital Corp.)
Management's Discussion and Analysis
For the Quarter ended September 30, 2021
Expressed in Canadian Dollars

Dated November 26, 2021

The following **Management's Discussion and Analysis ("MD&A")** of the financial condition and results of operations of **EnerSpar Corp.** ("ENER ", "EnerSpar" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the quarter ended September 30, 2021.

This MD&A has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the unaudited condensed consolidated financial statements for the three and nine months periods ended Sept. 30, 2021 and the audited annual financial statements and MDA for the year ended December 31, 2020, together with the notes thereto dated May 21, 2021. All financial figures are in Canadian dollars. Information contained herein is presented as at November 26, 2021, unless otherwise indicated.

This MD&A, except for historical information, may contain "forward-looking statements" that reflect EnerSpar's current expectations and projections about future results. When used in this MD&A, forward-looking statements can be identified by the use of words such as "estimate", "consider", "anticipate", "expect", "objective", "potential", "forecast", "believe", "project", "plan" and similar expressions or variations of such words. Forward-looking statements are, by their very nature, not guarantees of EnerSpar's future operational or financial performance and these statements may involve known and unknown risks, uncertainties and other factors that may cause the actual level of activity, results, prospects and performance to differ materially from any future levels of activity, results, prospects and performance expressed in, or implied by, these forward-looking statements. Although EnerSpar believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results or developments may differ materially from those in the forward-looking statements and there are no guarantees that any of EnerSpar's projects will otherwise prove to be economic.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties referred to elsewhere in this MD&A, actual events may differ materially from current expectations. EnerSpar disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Description of Business

Johan Beetz Feldspar Mineral Property Acquisition

Under the terms of an agreement with Globex Mining Enterprises Inc. (“Globex”) (the “Agreement”), the Company acquired 100% legal and beneficial interest in the Johan Beetz Feldspar Property, located in the Township of Johan-Beetz/Iles & Ilets de Mingan 03, Quebec, NTS 12L07.

Under the terms of the Agreement, the Company paid \$100,000 cash and issued 2.0 million common shares to the vendor at a value of \$0.05 per share and agreed to a 2.5% Gross Metal Royalty to the vendor and issued 400,000 common shares to a finder as a finder’s fee for identifying Johan Beetz Feldspar Property at a deemed price of \$0.05 per share.

The Company’s shares are listed on the TSX-V under the symbol ENER and on the Frankfurt exchange under the symbol 5EO but are presently halted owing to the pending Nurexone transaction more fully described below,

Business combination with Mindfull Capital Inc. (now terminated)

On April 8, 2019, the Company entered into an arms-length Business Combination Agreement (the “Agreement”) with Mindfull Capital Inc. (“Mindfull”) an organic and functional food and beverage company. The agreement was terminated on June 19, 2020 when Mindfull filed a Notice of Intention to file a Proposal under the Bankruptcy and Insolvency Act, and Mindfull’s Trustee informed EnerSpar that it would not be completing the proposed transaction.

During 2020 EnerSpar received \$24,700 net of the Superintendent of Bankruptcy's fee of \$1,300 as settlement of the break fee agreed to in the Mindful Agreement.

Business combination with Nurexone Biologic Ltd.

On April 21, 2021, EnerSpar signed a non-binding Letter of Intent ("LOI") with Nurexone Biologic Ltd. (Nurexone"), an Israeli based company. Under the terms of the LOI, EnerSpar will, directly or indirectly, acquire all the issued and outstanding securities of Nurexone with the intention that the acquisition will constitute a "Reverse Takeover" of EnerSpar by Nurexone for financial reporting purposes.

The LOI contemplates that EnerSpar will consolidate its outstanding shares on a 1:10 bases and then issue seventeen EnerSpar shares for each ordinary share held by the Nurexone shareholders. At this exchange ratio of 17:1, the Nurexone shareholders will hold approximately 89.0% of EnerSpar's issued and outstanding common shares immediately after the closing of the proposed acquisition.

The LOI contemplates that Nurexone will complete a concurrent financing for gross proceeds of at least \$2.0 million. Also, on closing EnerSpar will transfer substantially all its present assets and liabilities to a wholly owned subsidiary whose shares will then be transferred to EnerSpar's existing shareholders at the time of closing to maintain their present interest in the Baie Johan Beetz Project undiluted.

On August 23, 2021, the parties entered into an agreement to amend certain aspects of the Letter of Intent (amended) to complete a business combination which will be considered a "Reverse Takeover Transaction" for the purposes of the TSX Venture Exchange Policy 5.2 (the "RTO" or the "Transaction").

On November 18, 2021, the Company executed the Definitive Agreement for the Completion of this Transaction and is presently awaiting the signatures of the other Parties to the Agreement. As each of the present shareholders of Nurexone ia a Party, this process is taking a few days to complete, but the Company has been assured that Nurexone has signed and that its individual shareholders are obliged to sign pursuant to a shareholders' agreement.

RESULTS OF OPERATIONS

General

This Management's Discussion and Analysis of Financial Condition and Results of Operations for EnerSpar Corp. is intended to supplement and complement the accompanying unaudited financial statements and notes thereto for the quarter ending September 30, 2021, which have been prepared by EnerSpar's management in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is dated November 26, 2021, the date on which the Company's Board of Directors approved it and the unaudited financial statements for filing on SEDAR. EnerSpar's public filings and the 2021 unaudited first quarter report can be viewed on the SEDAR website at www.sedar.com and the Company's website www.enerspar.com

Results of Operations

EnerSpar retained IOS Services Géoscientifiques Inc. ("I.O.S.") a firm of geological consultants and mineral exploration contractors based in Chicoutimi Quebec beginning in 2017. IOS completed a drill program at the end of December, 2017 which allowed EnerSpar to fulfill its obligation to incur \$355,000 in qualifying resource expenditures pursuant to the provisions of its December, 2016 flow through private placements.

IOS issued its report, dated May 8, 2018, on the results of the 2017 mapping, sampling and assaying of 209 samples from the drill program completed December 31, 2017. The report recommends that additional systematic drilling be undertaken to expand the drill pattern and complete a resource estimation. IOS has recommended that EnerSpar employ a Rotary Air Blast (RAB) drill in future drilling which, IOS suggests, should reduce drilling costs by up to 60%. Planning continues to go ahead for a much larger drill program to be conducted in 2022. The Company plans to assemble sufficient drill information for a preliminary resource estimate to be undertaken. IOS recommended that the company mount its drill program once the ground has frozen to minimize disturbance of low-lying areas.

On August 12, 2021, the Company filed a new NI 43-101 Technical Report embodying the results of the 2017 exploration work undertaken and the visit to the site on behalf of the Company by its Qualified Person, Mr. William McGuinty. This report replaced the previous one which the Company

was obliged to withdraw owing to certain technical defects as previously disclosed by press release. It is the company's intention to continue exploration of the Johan Beetz feldspar property in 2022.

Operating expenses for the quarter ended September 30, 2021 of \$21,275 consisted of management fees of \$13,500 professional fees of \$4,250; public company costs of \$878; office expenses of \$418 and exploration costs of \$2,229. The Company had a net loss of \$21,275 for the third quarter and a basic and fully diluted loss of \$0.001 per share, continuing to operate on a minimal scale pending the completion of the RTO.

The Company expenses all costs relating to acquisition, exploration and development of the property in the period incurred. The Company is maintaining a detailed schedule by category of expense incurred on a cumulative basis and reports such expenditures to the shareholders by way of a schedule included within the annual MD&A and included in the annual report of the Company.

Schedule of Exploration Expenditures

Incurring in 2017:	
Geology, technician and project management	\$154,208
Equipment rental, camp costs and fuel	\$ 61,621
Sampling	\$ 17,018
Drilling	\$ 93,546
Metallurgy	\$ 12,918
Reporting	\$ 16,169
Total	<u>\$355,500</u>
Incurring in 2018	<u>Nil</u>
Incurring in 2019	<u>Nil</u>
Incurring in 2020	Nil
Incurring to date in 2021	<u>\$2,229</u>
Total exploration expenses to September 30, 2021.	<u>\$357,729</u>

Selected Financial Information

The following selected financial data is derived from the financial statements of the Company prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards (“IFRS”)

Statement of Financial Position data as at:

	September 30, 2021	September 30, 2020
Cash	\$961	\$14,443
Recoverable sales tax	\$7,715	\$5,272
Other receivable	\$300	NIL
Current Liabilities	\$67,268	\$156,064
Owed to director	\$98,655	NIL
Shareholders’ Equity (Deficit)	\$(156,927)	\$(135,551)

Summary of Quarterly results

Historical quarterly information of the past most recent eight quarters.

(\$Cdn)

	Sept 30 2021	June 30 2021	Mar 31 2021	Dec 31 2020	Sept 30 2020	June 30 2020	Mar 31 2020	Dec.31 2019	Sept. 30 2019
Revenue	Nil	Nil	Nil	Nil	Nil	24,700	30,000	30,000	Nil
Net Profit / (Loss)	(21,275)	(19,821)	(19,571)	(19,725)	(16,198)	275	7,887	2,661	(30,729)
Profit / (Loss) per share	(0.0008)	(0.0008)	(0.0008)	(0.0008)	(0.0006)	0.0005	0.0003	0.0001	(0.0013)

Liquidity and Capital Resources

An initial public offering (“Offering”) was completed by Walmer Capital Corp., the predecessor name of the Company, on May 3, 2012 whereby 3,000,000 Common shares were issued for net proceeds of \$255,000 (gross before expenses, \$300,000) The Company granted 500,000 incentive options to its directors and officers which are exercisable to May 9, 2022 at an exercise price of \$0.10 per share. 2,000,000 Founders shares had previously been issued at a value and for proceeds of \$0.05 per share. 1,000,000 of these shares were subsequently cancelled due to failure to complete a Qualifying Transaction within the prescribed 2-year period which resulted in there being 4,000,000 Common shares in issue at a deemed price of \$0.10 per Common share.

Directors’ and Officers’ incentive options totaling 500,000 Common shares were granted May 9, 2012 at an exercise price of \$0.10 per share, expiring May 9, 2022 and a further:

- 125,000 incentive options exercisable at \$0.10 per share granted on December 7, 2016 expiring December 7, 2021
- 1,250,000 incentive options at an exercise price of \$0.05 per share were granted on April 2, 2017 expiring April 2, 2020
- 500,000 incentive options at an exercise price of \$0.055 per share were granted on November 14, 2017 expiring November 14, 2020

100,000 incentive options at an exercise price of \$0.055 per share were granted on August 15, 2018 expiring August 15, 2021.

In connection with its Qualifying Transaction and the simultaneous Issues of Common and Flow Through Shares achieved in December 2016 and March 2017, the Company issued 19,360,000 Common shares and 6,861,000 warrants for a net amount of \$817,519 and the acquisition of the Johan Beetz property. All of the warrants expired unexercised.

As at September 30, 2021 the Company had \$ 981 in cash and cash equivalents, \$ 7,715 in recoverable sales tax, \$ 67,266 in current liabilities, (primarily amounts due to geological consultants, lawyers and accountants) and \$ 98,655 owed to a director.

Options

No options have been granted since 2018.

Outlook

The business objective of the Company is the acquisition, exploration, development and production of industrial mineral resources from properties primarily in Canada as well as examining other opportunities to enhance shareholder value. The Company will require additional capital to pursue its business objective. There can be no assurance that the Company would be able to raise such additional capital if and when required on terms it considers acceptable. The Company is not subject to any capital requirements imposed by regulatory body, other than of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2021, the Company was not in compliance with these requirements. The Company intends to raise additional capital to maintain its working capital requirements if, as and when market conditions permit following the completion of the RTO and in light of the ongoing disruption caused by the Covid-19 pandemic.

As at September 30, 2021, a director of the company had paid expenses on the company’s behalf of to a total of \$98,655 and indicated an intention to continue to support the Company financially but without any obligation to do so.

Timely Disclosure, Confidentiality and Insider Trading Policy

Management has adopted the policy to ensure that EnerSpar Corp. and all persons to whom this Policy applies meet their obligations under the provisions of security laws and stock exchange rules by establishing a process for the timely disclosure of all Material Information.

(i) This policy covers disclosures in documents filed with the securities regulators and written statements made in the Company’s annual and quarterly reports, news releases, letters to shareholders, presentations by Directors, Officers, Employees or Contractors and information contained on the Company’s website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls and any other public disclosures on behalf of the Company, the content of which would reasonably be expected to affect the market value or price of any security of the Company.

(ii) all persons to whom this Policy applies understand their obligations to preserve the confidentiality of Undisclosed Material Information (as defined therein):

(iii) all appropriate parties who have Undisclosed Material Information are prohibited from Insider Trading (as defined herein) and Tipping (as defined therein) under applicable law, stock exchange rules and this policy; and

(iv) communications to the investing public about the Company are timely, factual, accurate, complete and not misleading, and broadly disseminated in accordance with all applicable legal and regulatory requirements.

Proposed Transactions: Management is continuously examining potential acquisitions or options of additional properties as they are presented to the Company. No such transactions are presently pending. If the Company makes any commitments as a result of such transactions, it would be announced by way of a prompt press release.

Additional Disclosure for Venture Companies without Significant Revenue

This Management's Discussion and Analysis document covers the period from Jan 1, 2021 to November 26, 2021. The comparative information normally set out under this heading is fully disclosed in the audited annual statements for the year ended December 31, 2020.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements as at November 26, 2021.

Other:

COVID-19

The Company has not been deemed to be providing an essential service and as such has moved all business and meetings online where possible. The representatives and employees of the Company do not meet in person at this time but conduct all business by telephone, email and video conference calls.

Possible effects of climate change on the Company's operations.

The Company continues to examine the potential impact of climate change on the development of the Johan Beetz property which has direct access to the Gulf of St Lawrence. In that predicting precisely how the climate may change in this area is an inexact science at this time, the Company has determined that several scenarios could develop. If the climate becomes warmer and drier, access to the site may be easier and less expensive to explore and develop as low-lying areas, which can be wet may become drier, thus more easily traversed. Conversely, if the climate were to become warmer and

wetter with low lying areas becoming wetter, access and development costs could increase due to additional construction costs of access roads.

If the winter season were to become shorter, the time for easy and inexpensive access to drilling sites across frozen ground could be reduced thus reducing the window of opportunity to easily and relatively inexpensively access drill sites. If sea levels rise, as is being predicted, the Company could need to raise its load out dock to accommodate vessels as a result of the rising water level. Additionally, for every 1 centimeter of sea level rise, the minable depth of the proposed quarry would be reduced by a corresponding amount. The resource drilling was done to sea level (approx. 3100 centimeters of vertical depth) and flooding could result if the quarry floor were below sea level thus possibly reducing the volume of accessible mineral. There has been no change in our estimation of the possible effects of climate change on the company's operations in the past year.

As we have stated in the past, EnerSpar's exploration plans and plans for further engagement with First Nation contractors and personnel located in the area wherever possible, continue to develop. It is the Company's intent to continue the recommended exploration program in a new wholly owned subsidiary which has been created specifically to hold the exploration assets and liabilities of EnerSpar, all of the share of which will be dividended to the current shareholders of EnerSpar concurrent with the completion of the RTO Transaction and is subject to receipt of satisfactory tax, corporate and securities law advice and all regulatory approvals.

Critical Accounting Policies and Estimates

Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Judgments made by management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed below. The most significant judgments and estimates relate to, but are not limited to, the following:

- the assessment of the going concern presumption to the financial statements and:
the calculation of the fair value of share-based payments and equity settled transactions requiring the use of estimates of inputs in the Black-Scholes option pricing valuation model.

Valuation of equity instruments

The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value of the warrants using the Black-Scholes option pricing model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the residual fair value of the shares. The proceeds from the issue of units are allocated between share capital and reserve for warrants. If and when the warrants are exercised, the applicable amounts of reserve for warrants are transferred to capital stock. Consideration paid on the exercise of the warrants is credited to capital stock.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”). Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the statement of comprehensive loss. The Company’s cash, restricted cash and cash equivalents are classified as FVTPL.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as either FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company’s trade and other payables, flow through premium liability and financing proceeds when held in escrow are classified as other financial liabilities.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

Risks and Uncertainties

The Company has a limited history of existence. There can be no assurance that the Company will be able to obtain adequate financing to continue its exploration beyond the first-year program. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

The acquisition of a resource property exposes the Company to all of the inherent risks of activity in the resource world including fluctuating commodity and other resource prices, exploration risk, environmental risk, management risk, and potentially construction, financing, production, safety and other execution risks if the Company were to go beyond the exploration stage and seek to put a resource project into production.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

Voting or equity securities:

Authorized: Unlimited Common Shares
Unlimited non-voting Preferred shares

Outstanding:

Common Shares. 25,360,000

Warrants:

The Company has no warrants presently outstanding.

Options:

There are 125,000 options outstanding.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer by others within the Company in an accurate and timely manner in order for the Company to comply with its continuous disclosure and financial reporting obligations and in order to safeguard assets.

Subsequent Events

Having signed on August 27, 2021 an agreement to complete the transaction as soon as possible and in no event later than November 30, 2021, this date was extended to no later than January 31, 2022 when the Definitive Agreement was signed on November 18, 2021.

As of November 22, 2021, funds in excess of \$802,000 had been received pursuant to the simultaneous Issue being undertaken by Nurexone and are being held in escrow in the Company's solicitor' trust account pending the completion of the Transaction.

The Company anticipates a continuation of the halt of the trading in the company's shares until the proposed transaction with Nurexone is completed or otherwise terminated.

Other Information

Additional information about the Company is available on SEDAR at www.sedar.com as well as on the Company's website at www.enerspar.com.

The Board welcomes questions and comments from shareholders and others.

"James A Richardson" C.E.O.

EnerSpar Corporation

"John M Arnold", C.F.O.

EnerSpar Corporation

Dated: November 26, 2021